



May 16, 2023

4 pages

To: Jennifer and Nathan Loyd, Link Hoewing  
From: Sarah Lebherz & Don Moffitt

## **Proposal for Financial Feasibility Work / Pro Forma**

Jennifer, Nathan and Link,

I enjoyed speaking with you about Poolesville and the possibility of opening a co-op in the area. I'm happy to provide you with this proposal on behalf of Don Moffitt and myself. If you authorize the work, our job will be to help determine how the collective vision you have can be financially sustainable, as well as to foster understanding of the finances of the co-op. Don and I collaborate on the work.

The work included in this proposal includes both the development of pro forma financial statements and ongoing support. The pro forma is the primary tool for the co-op to assess the financial feasibility of the project.

The pro forma we develop for you includes the sources and uses of funds for development, the annual debt service for all required loans, assumptions for key operating expenses, all three financial statements for ten years of operations (income statement, balance sheet and cash flow statement), and key financial metrics that indicate the likelihood of a sustainable project.

You'll receive an Excel workbook consisting of several interrelated worksheets that you can use for "what if" scenarios. In addition to the pro forma the services included in this proposal are:

1. A discussion your project, vision and assumptions. We'll schedule this when you authorize the work.
  2. An in-person review over Zoom to review the first draft of the pro forma, including expected outcomes. This is typically four weeks after the meeting in item 1.
  3. A transmittal memo accompanying the first draft of the pro forma, explaining the structure of the model, key inputs, outcomes and issues.
  4. Recommendations for further research to refine estimates of costs, assumptions, etc.
  5. Meetings every four to six weeks to discuss issues you're facing and changes in your project.
  6. Revisions and updates to the pro forma as needed.
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## **Terms**

**Fees.** Our fee for the financial pro forma and ongoing support is \$7,500. On occasion, for a small percentage of pro forma clients, a need for an additional fee develops due to major delays in the project or significant changes in assumptions. We'll let you know in advance if the work exceeds the basis for this proposal and bill you from that point on an hourly basis.

**Retainer.** A retainer for 50% of the fee (\$3,750) is due once you authorize the work. We'll invoice you for the retainer via Columinate. The remainder of the fee is due and will be invoiced when the first draft is delivered to you. Payment is due within seven days of receipt of the invoice.

**Expiration, authorization.** This proposal is valid for thirty days. If it meets your needs, you can notify us by email that you authorize the work. In your authorization, please let us know to whom we should send the contract for e-signature.

Thanks for the opportunity; please let me know if you have any questions.

I look forward to working with you!



Sarah Lebherz  
Sarah Lebherz Consulting, LLC

***All information and recommendations are provided in good faith based upon the experience and judgment of the Consultant. The Client remains responsible for the accuracy of all information provided to Columinate and Consultant. The Client is also responsible for all decisions made and all actions or inactions that result from this work.***

**DON MOFFITT** works with Columinate providing support for co-ops planning large capital investments. His services include pro forma financials and financial literacy, expansion and business planning, assistance with lease negotiations and general development assistance. He's worked in natural foods retail since 1981, including Vice President of Store Development and Regional President for Whole Foods Market as well as Project Manager for the Durham Co-op Market in Durham, NC. He has a B.Architecture (University of Texas, Austin) and an MBA (University of North Carolina, Chapel Hill).

**SARAH LEBHERZ** works with Don developing pro forma financials for start-up cooperatives. She's worked at Common Market Co-op in Frederick, MD for over 25 years as Merchandising Manager, General Manager, Project Manager and most recently, Chief Financial Officer. She has been Project Manager for two expansion projects for Common Market during her tenure, including the expansion of the original store and the development of a second store. She has previously served as a member of the Risk Management Committee for the Eastern Corridor of National Cooperative Grocers (NCG).

**COLUMNATE** is a service cooperative representing the skills of independent consultants with longstanding commitment to and engagement in the food co-op community. Our experience encompasses all phases of business and organizational development. We know how to integrate the financial challenges of business development with the cooperative and community-based organizations that are mission driven. We specialize in the growth and development of food cooperatives, having participated in over 250 food co-op expansion projects over the past 30 years. There are dozens of startup food co-op groups among our clients.

I had the pleasure of working with Don Moffitt over the course of several months as he provided us with an extensive pro forma review and strategic planning for our long term debt. Don was the right person for the job; he is kind, thorough and has the depth of



**East Aurora  
Co-op Market**  
locally grown, community owned

knowledge necessary to turn financial chaos into a workable plan. He approached each interaction with the air of a patient professor/mentor and I was immediately at ease working with him. Don encouraged honesty and openness as he got to know our situation and the key players. This approach enabled him to get a fully accurate picture of our store, our predicament and the resources available for working through our challenges. Don's compassionate, nonjudgmental attitude engendered a level of trust that was essential to the work at hand. He fully grasped our financial situation and partnered with me to find workable long term solutions — and we have a fully functional pro forma to boot!

Jessica Armbrust  
General Manager

**East Aurora Co-op Market** 591 Main Street, East Aurora NY 14052 | 716-655-2667 | [www.eastaurora.coop](http://www.eastaurora.coop)



Don combined extensive experience in natural-food-store design, site selection, operations and management with excellent financial skills. He built strong relationships with key stakeholders through careful listening and close collaboration. He played a key role in site acquisition, pro forma development, community fundraising, lender relationships and equipment selection.

Leila Wolfrum  
General Manager  
Durham Co-op Market, Durham, N.C.

Working with Don has exceeded all my expectations for hiring a consultant to put together our pro forma. I knew I would receive a detailed and thorough pro forma for our project, but I had no idea that Don would accompany that document with consulting sessions focused on defining and refining the financial feasibility of the project. Because of his years of experience -- both in corporate natural foods and co-op development -- Don is able to speak to store build and operations, the role of the GM, co-op fundraising, and a multitude of other considerations that ultimately impact the cost and viability of any start up food cooperative.



Aside from Don's vast technical acumen, he has a rare gift in being skilled at walking groups of non-CPA types through his thinking; He is able to make the spreadsheets come alive for us, translating numbers into real-life features of our project and the decisions that lie ahead in pursuit of a site and funds. Don has made our Board feel comfortable as we build our financial muscles and has also walked with us as we refine our vision for the store, ask ourselves tough questions about feasibility, and grapple with an industry that features razor thin margins and stiff competition. Don works well with others in his industry who are involved in our project, speaking with confidence on his views and being able to alter assumptions when confronted with new information.

I feel fully confident that Don will guide us to a financially feasible plan for our project, while steering us away from making choices which could render our project non-viable. I can't recommend his services highly enough!

**Jillian Jason** | Board President  
Wild Onion Market | Food Cooperative